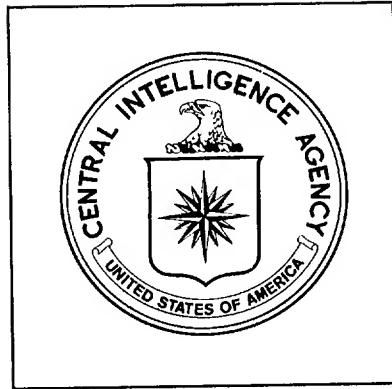


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Soviet Union-Eastern Europe

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SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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SECRET MORAYSummit Meeting in Warsaw

General Secretary Brezhnev, five of his East European counterparts, and Mongolian party leader Tsedenbal--all of whom were attending the Polish congress--held a short "summit" meeting in Warsaw on December 9. Romania, which sent a second-level delegation to the congress, was not represented.

A short communique released by Tass said only that the participants gave special attention to ways to implement the European security accord and that disarmament measures must accompany political relaxation. Discussion may have focused on Brezhnev's proposal, publicly aired the same day, for pan-European meetings to be held on such problems as the environment and energy.

The leaders also "exchanged opinions" on the problems of further cooperation between their countries--language that suggests a variety of proposals and viewpoints were aired.

Moscow may have wanted to take advantage of Ceausescu's absence by discussing informally with its loyalist allies such sensitive issues as preparations for the European Communist Party Conference, polemics with China, and CEMA integration. Romania holds dissenting positions on all these issues. Convening the meeting without Ceausescu underscores Romanian isolation and may provoke uneasiness in Bucharest.

It is unclear whether this meeting rules out the possibility of a CEMA summit in the near future. An economic summit had been expected before year's end, but recent reporting suggests that it has been pushed back until next year. (CONFIDENTIAL)

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Sofia's Balancing Act During the Demirel Visit

1-4
Sofia gave a particularly warm and cordial welcome to Turkish Prime Minister Demirel during his visit to Bulgaria last week. The Bulgarians tried to use the trip to demonstrate their "even-handed" treatment of the Turks and Greeks and to enhance the image of party/state leader Zhivkov as an "international statesman."

1 4
The Bulgarians are trying hard to maintain an equilibrium in their new-found friendship with Athens and Ankara. They were determined to see that their reception of Demirel matched the attention lavished on Greek Prime Minister Caramanlis last July and constantly inquired whether the Turks were completely happy with all arrangements.

1 3 4
On bilateral economic matters, Sofia apparently pushed for closer cooperation than Ankara wanted. The two leaders examined transit traffic problems, focusing on congestion of road and rail traffic at the Turkish border. Zhivkov first raised the matter with Demirel during their summit last July, and the communique summarizing last week's talks commits both sides to solving the problems "in the shortest possible time." The Bulgarians also pressed for formation of a joint transport company and suggested an agreement on Black Sea shipping--both of which the Turks side-stepped. The two sides did, however, agree to expand cooperation in the area of electrical energy.

3
Zhivkov and Demirel signed a bilateral "joint declaration of principles," along with the usual communique. Noting that their views "coincide on almost all questions," they called for Israeli withdrawal from occupied territory, endorsed disarmament under strict international control, and

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hailed the process of detente. On Balkan cooperation, they pledged to further relations "above all on a bilateral basis," but supported "in principle" multilateral initiatives in the interest of the Balkan states.

On Cyprus, both stated the "positions of their governments"--a euphemism for divergence, but agreed on the need to preserve the "independence, sovereignty, territorial integrity, and non-alignment" of Cyprus. The communique also refers to "honoring the interests of the Turkish and Greek Cypriots." Ankara may feel it scored a few points by including this phrase, since it conforms to the Turkish position that two separate "communities" exist. The Bulgarians, however, explicitly refused to endorse the word "communities," and the language settled on closely parallels that contained in other communiqes that Bulgaria has signed.

Zhivkov and Demirel apparently avoided one potentially disruptive bilateral issue--Bulgaria's ethnic Turkish minority. Under the provisions of a 1956 agreement, Sofia has issued passports to approximately 40,000 ethnic Turks who wish to emigrate. Ankara has been unwilling, however, to issue entry visas because of the economic and security problems the emigres would create. Demirel agreed in principle to accept the group and to hold discussions within a month to work out details.

The US embassy in Sofia points out that Zhivkov --instead of Bulgarian Premier Todorov--clearly emerged as the host for the Turkish prime minister. This was probably an effort to boost Zhivkov's personal prestige. All regional Balkan prime ministers or heads of state except Tito have now visited Bulgaria this year. (CONFIDENTIAL)

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Yugoslavs in Sour Mood Over
Proposed Economic Policies for 1976

2 The annual round of grumbling about Belgrade's federal budget proposals seems louder than usual this year, and even previously privileged sectors--like the military--appear to be feeling the pinch.

Belgrade's economic plans for 1976 forecast a 19.3 percent increase in federal spending--well behind the current annual inflation rate of about 25 percent. All the numbers are not yet known, but the fact that the major interest groups are complaining suggests that the slower rate of increased spending is being applied equitably.

The well-developed northern republics, Croatia and Slovenia, customarily grouse about being over-taxed for the benefit of the less-developed southern areas. Again this year, these two "have" republics are sharply critical of the federal regime's dictation of economic policy to the republics, particularly in setting investment limits for the local economies.

The less-developed regions normally receive supplemental federal funds, in theory to help them catch up with the north. These developmental funds have usually assured a measure of protection for the poorer areas from budget squeezes. This year, however, the picture has changed. A parliamentary delegate from Kosovo--the poorest area of Yugoslavia--recently complained that the province faces nearly 300 percent higher payments into the federal budget this year. He also said Kosovo's take from special development funds in 1976 will fall short of the amount forecast in the long-range development plan.

The Yugoslav Defense Ministry, which over the past few years has had sizable increases in investment for its modernization program, also appears to

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be tightening its belt. A deputy defense minister told the parliament last Friday that the ministry's allotted funds for 1976 would "ensure the present, but not the desired level of equipment and modernization."

Even the trade unions--which in recent years have made few waves--are warning about the impact on employment of slower investment rates by the government.

Premier Bijedic's handling of economic policy, which has been criticized heavily over the past year, may once again come to the fore. In point of fact, the decision for a tougher anti-inflationary budget in 1976 appears to have been thoroughly discussed at top party levels. The regime's attempt to trim Yugoslav expectations may require scapegoats, however, particularly while the possibility of demagogic appeal by pro-Soviet factions is of serious concern in Belgrade. (CONFIDENTIAL)

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Ceausescu on Emigration

President Ceausescu, speaking to the councils of ethnic Hungarian and German minorities in Romania on December 3, delivered the most negative Romanian pronouncements on the subject of emigration since the Helsinki summit.

The Romanian leader said that many of those who have already emigrated as well as those who now wish to leave are "deserters." He asserted that the place for every Romanian citizen, Hungarian, German, Serb or Jew, is "here" building a new society. "We cannot accept or encourage those who wish to run away, thinking they will find a warmer nest somewhere."

Ceausescu's comments do not mean that Bucharest has changed its policy on Jewish emigration. His words do, however, reflect the regime's serious concern over the possible snowball effect on Germans and others wishing to emigrate as a result of the Jackson-Vanik legislation, the recent agreement between Bonn and Warsaw on mass emigration of Germans from Poland, and those portions of the European security documents calling for freer movements of people and reunification of families.

Ceausescu's comments came on the eve of West German Foreign Minister Genscher's visit to Bucharest (December 4 and 5). Genscher raised the subject of reunification of families. Ceausescu's earlier speech notwithstanding, the final communique ending the West German's visit pledges both sides to solve humanitarian problems on a basis of mutual trust and good will.

The director of the Romanian Institute of Political Sciences has told an embassy official that Ceausescu's remarks were Bucharest's way of emphasizing

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that no "mass" emigration would be tolerated. Ceausescu also said there will be no further special "concessions" to the minorities. Here, the embassy feels the source had in mind the Magyars and their demands for greater use of Hungarian language schools and journals. The Romanian indicated that the location of new industry and reassignment of cadres will be used to intersperse Hungarians with Romanians. Such a policy, however, would undoubtedly have negative repercussions in Budapest, which is sensitive to the fortunes of its fellow Magyars in neighboring Transylvania. (CONFIDENTIAL NOFORN)

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USSR Academy of Sciences
Elects New Officers

By electing 72-year-old director of the Kurchatov Atomic Energy Institute, Anatoly P. Aleksandrov, as its new president on November 25, the USSR Academy of Sciences resolved an apparently lengthy stalemate. Aleksandrov is a competent, noncontroversial dark horse who has clear party backing; he was rumored to be a good bet almost a week before his election. Moscow's scientific circles, however, still favored the better known A. P. Kotelnikov, who had served as acting president following the resignation in May of venerable Mstislav Keldysh because of ill-health. Aleksandrov, like Keldysh, is a full member of the CPSU Central Committee.

The manner of Aleksandrov's election suggests an increase in party control or at least influence over the academy. Senior party ideologist Suslov, who had also attended the May meeting of the academy (the first time a full Politburo member has attended a working session of the academy), made a telling point in his keynote speech when he referred to the Central Committee's approval of Aleksandrov's candidacy. The final tally of the secret ballot was not announced.

By contrast, the party evidently either did not press for the revocation of dissident Nobel Peace Prize winner Andrey Sakharov's membership or failed to win its case. Published accounts of the proceedings made no mention of Sakharov's case.

New faces on the presidium of the academy include:

--Nikolay Inozemtsev, 54, director of the Institute of World Economics and International Relations. A Doctor of Historical Sciences, he became a corresponding member of the academy in 1964 and an active member in 1968. He was elected

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a candidate member of the CPSU Central Committee in 1971, and may gain full voting status at the 25th party congress next February. On the academy's presidium, he apparently replaces the liberal, but aging, A. M. Rumyantsev, whose name was dropped.

--Anatoly Yegorov, 55, rector of the Institute of Marxism-Leninism since early 1974. He worked in the Central Committee apparatus, rising to deputy head of the Propaganda Department. In 1965 he became chief editor of the party journal, *Kommunist*, and the following year became a candidate member of the Central Committee. His name vanished from the journal's editorial board after its mid-January 1974 issue amid signs of controversy, but the specific problem has never been identified. The *Kommunist* vacancy went unfilled for six months, suggesting that Yegorov's removal was sudden and unplanned. Yegorov had--and presumably still has--effective protection from high officials, however, since he reappeared shortly thereafter at the Central Committee's prestigious Institute of Marxism-Leninism.

There are now eight full and candidate Central Committee members on the academy's 43-man Presidium, an increase of two. (UNCLASSIFIED)



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Soviet Visitor Highlights During November

The number of Soviets authorized to enter the US for commercial purposes during November totaled 136--a record high for the year and an increase of more than 13 percent over November 1974. Visitors during the month included a delegation of agriculture officials who came for a pre-shipment inspection of recent Soviet grain purchases and a communications group that visited US firms producing satellite communications equipment. Another delegation was composed of officials associated with the construction of Moscow's International Trade Center, a Soviet-US cooperative effort first proposed during the May 1973 summit talks.

There were few high-level representatives of the Soviet bureaucracy. The most important were Anatoly Reut, first deputy minister of the radio industry, who headed a delegation that toured US computer and radio equipment firms, and Deputy Minister of Procurement Yury Shilkin, here to acquaint himself with American livestock feed equipment. (UNCLASSIFIED)

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